

M/015/041

Mr. Bryant Anderson
Emery County Economic Development
Emery County Courthouse
Castledale, Utah 84513

September 12, 1991

RECEIVED

SEP 16 1991

CERTIFIED MAIL

Dear Mr. Anderson:

DIVISION OF
OIL GAS & MINING

Status of the \$25,000 bond made by Save-All Abode through Marilyn K. Jensen, its authorized agent, for the Emery County Road Department Permit # 199027, dated 11 December 1990.

This letter is notify you that Mr. Lanny L. Jensen and Mrs. Marilyn K. Jensen, sole proprietors of the unincorporated Save All Abode identity are in Breach of Contract of the **1990 Mining Agreement Concerning the B & J Unpatented Placer Mining Claims, San Rafael Resource Area, Emery County** between John E. Welsh, Owner and Lanny L. Jensen, Operator. A Memorandum of this agreement is Document 327462, 26 November 1990, Book 185, Pages 425-431, Emery Countuy Records.

The area of default in the contract concerns specifically the quarry site claim BJ-2 BLM UTM # 212727 in the NE/4 SE/4 sec. 29, T. 22 S., R. 9 E. and the BJ-5 claim UTM # 212729 in the NW/4 SE/4 sec. 29, T. 22 S. R. 9 E. In the BJ-2 claim of the quarry site approximately 5 five acres have been disturbed, while in the BJ-5 claim less than 1/2 one half acre has been disturbed. Mr. Jensen has not begun any reclamation.

Both of these area are adjacent to the Moore Road and it is of concern to me as to whether the Bond held by Emery County will appropriately cover the road and the quarry site. It is my concern that Mr. Jensen may default in his obligation to reclaim the road, the right of way, and the quarry if the bond expires.

Mr. Lanny L. Jensen is in default to the owner, John E. Welsh in royalty payments for gypsum rock removed from the quarry. It estimated that Jensen has removed approximately 60,000 tons since October 9, 1990. Gypsum rock has been shipped to Ash Grove Cement, Georgia Pacific, and Western Clay Companies.

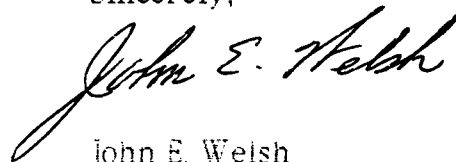
As stated in my May 17, 1991 letter to you, I requested that the surface reclamation should be added to the conditions of the bond. I think it is prudent at this time to check the expiration date of the bond. The applicablity of the bond to cover reclamation of the Moore Road and the

reclamation of the quarry site should be immediately addressed. I urge you to bring this matter to the attention of the County Commissioners.

I urge you to review the legal status of the bond that Emery County holds from Jensen and ascertain what reclamation is actually covered by the bond, if any.

I would appreciate hearing an opinion on this subject.

Sincerely,



John E. Welsh

JOHN E. WELSH

Geologist

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4780 Bonair St.

Holladay, UT 84117

cc: Niel Simmons BLM
Holland Shepherd UT O.G.M. ✓
Tom Humphrey, Emery Co

*Holland FYI,
John*